



1332.

3. Defendant, Jamie A. Grider (“Grider”), is a citizen and resident of Rutherford County, Tennessee, residing at 1043 Caitlin Trail, Smyrna, Tennessee 37167-8374. Thus, Grider is a citizen and resident of the State of Tennessee for the purposes of U.S.C. § 1332.

4. HTCB, LLC, (“HTCB”) is a Tennessee Limited Liability Company with its principal address located at 1043 Caitlin Trail, Smyrna, Tennessee 37167-8374. HTCB may be served through its registered agent, Jamie A. Grider, at 1043 Caitlin Trail, Smyrna, Tennessee 37167-8374. Thus, HTCB is a citizen and resident of the State of Tennessee for the purposes of U.S.C. § 1332.

## **II. VENUE AND JURISDICTION**

5. This action is brought pursuant to 28 U.S.C. §§ 2201-2202, Fed. R. Civ. P. 57, and the request of Cincinnati that this Honorable Court issue a declaration as to the rights, status, and legal relationships between Cincinnati and Legacy, HTCB, and Grider (collectively “Defendants”) as established by the insurance policy issued to Legacy at 2863 Old Fort Parkway, Suite C, Murfreesboro, Tennessee 37128-4418.

6. Defendants conduct business in this jurisdiction, the claims were submitted in this jurisdiction, and the policy discussed herein was issued in this jurisdiction. Thus, venue is proper, and this Honorable Court has jurisdiction over both the subject matter and the parties herein.

7. The amount in controversy exceeds the sum of Seventy-Five Thousand and No/100 Dollars (\$75,000.00), exclusive of interest and costs. More particularly, the amount in controversy sought equals the sum of One Million, Four Hundred Sixty Six Thousand, and Ten 0/100 Dollars (\$1,466,010.00).

### III. FACTS

8. Cincinnati issued Policy No. ECP 054 82 52 (“the policy”) to Legacy for the policy period of August, 14, 2023 to August 14, 2024. A true and exact copy of the policy is attached hereto as **Exhibit 1**.

9. The policy provided Business Personal Property and Business Income with Extra Expenses coverage to property located at 2863 Old Fort Parkway, Suite C, Murfreesboro, Tennessee 37128 (“the Property”), as shown as “Location 1” on the Schedule of Location.

10. Legacy entered into a Lease dated December 31, 2015 (“the Original Lease”), with HTCB, as the landlord, to occupy and lease the Property.

11. HTCB and Legacy are related companies through Grider’s common ownership.

12. Upon information and belief, Grider drafted the Original Lease between Legacy and HTCB.

13. On or about November 5, 2023, a fire occurred at the Property which damaged the Property.

14. On or about November 6, 2023, Grider, on behalf of Legacy, reported damage to the Property to Cincinnati under the policy.

15. On or about November 7, 2023, Cincinnati requested that Grider provide a copy of the lease that governed the rental of the Property as part of Cincinnati’s claim investigation.

16. On or about November 15, 2023, Grider provided Cincinnati with an incorrect back-dated copy of a lease agreement (“Backdated lease”) and claimed the lease governed

the rental of the Property. A true and exact copy of the Backdated lease is attached hereto as **Exhibit 2**.

17. In an email dated December 6, 2023, Grider admitted that he backdated the lease and explained that it actually does not govern the lease of the Property as follows:

Per my conversation with Marcus on Monday, I am attaching my lease agreement prior to this situation. I was explaining to Marcus that my initial lease with my real estate holding company (HTCB) and Legacy Family Dental had expired on 31 December 2021. I continued to operate the business as normal following the expiration date with the lease on a month-to-month lease (#7 page 3). In a timely response to a lease request needed for the adjuster following the claim, I quickly printed one [sic] a new lease. **The lease was back dated and provided it to the adjuster.** Since the lease is with me (HTCB) and Legacy Family Dental (myself), I did not realize the complexity of the situation. After I realized that the lease was full of incorrect information, I went back to the original lease and noticed all the items were addressed in the original lease. It was the original lease that I purchased the insurance coverage with Cincinnati Insurance through USI. I am asking for you to review my previous lease and reconsider it for the coverage I had obtained from my USI representative.

(emphasis added).

18. The policy provided coverage for Legacy's "Business Personal Property" under Form FM 101 05 16 as follows:

**d. Business Personal Property**

Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle or portable storage unit) within 1,000 feet of the building or 1,000 feet of the "premises", whichever distance is greater. Your Business Personal Property consists of the following unless otherwise specified in the Declarations or on the **BUSINESS PERSONAL PROPERTY – SEPARATION OF COVERAGE ENDORSEMENT**.

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- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
- (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;

- (7) Leased personal property used in your business for which you have a contractual responsibility to insure. Such leased property is not considered personal property of others in your care, custody or control;
- (8) Personal Property of Others that is in your care, custody or control or for which you are legally liable.

19. Under this provision, there is coverage for the “use interest” of Legacy in betterments and improvements, but only if those improvements are made a part of the building Legacy occupied and only if the improvement was “acquired or made at your expense...”.

20. In addition, the policy contained the following conditions:

#### **COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

##### **A. Concealment, Misrepresentation or Fraud**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- 1. This Coverage Part;
- 2. The Covered Property;
- 3. Your interest in the Covered Property; or
- 4. A claim under this Coverage Part.

21. Grider, on behalf of Legacy, violated the above conditions by knowingly backdating the Backdated Lease which impacted Cincinnati’s investigation of the claim.

22. Specifically, Grider misrepresented material facts that the Backdated lease governed the rental of the Property in an effort to fraudulently obtain coverage under the policy.

23. On February 19, 2024, Cincinnati denied coverage to Grider under the policy

due to a violation of its terms and conditions.

24. Cincinnati avers and alleges that an actual controversy exists between the parties to this Declaratory Judgment Action within the meaning of 28 U.S.C. §§ 2201-2202 and Fed. R. Civ. P. 57, and that this Honorable Court is vested with the power in the instant case to declare and adjudicate the rights and legal relationships of Cincinnati and Defendants with reference to the issues raised herein. The issues currently in dispute are addressed in this Complaint, but Cincinnati reserves the right to amend the Complaint to raise additional coverage issues should they arise between the parties.

#### **IV. DECLARATORY RELIEF SOUGHT**

25. Cincinnati incorporates and references the allegations contained in ¶¶ 1-25 of this Complaint.

26. Cincinnati avers and alleges that the policy did not provide building coverage and thus, there is no coverage for the building.

27. Specifically, the policy only provided coverage for Legacy's "Business Personal Property" under Form FM 101 05 16 as follows:

##### **d. Business Personal Property**

Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle or portable storage unit) within 1,000 feet of the building or 1,000 feet of the "premises", whichever distance is greater. Your Business Personal Property consists of the following unless otherwise specified in the Declarations or on the **BUSINESS PERSONAL PROPERTY – SEPARATION OF COVERAGE ENDORSEMENT**.

\*\*\*\*\*

(6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy but do not own; and

- (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property used in your business for which you have a contractual responsibility to insure. Such leased property is not considered personal property of others in your care, custody or control;
- (8) Personal Property of Others that is in your care, custody or control or for which you are legally liable.

28. Cincinnati avers and alleges that the “Business Personal Property” provision does not apply to any structural damage being claimed by Legacy and therefore, there is no coverage under the policy for any damage to the building.

29. In addition, Cincinnati avers and alleges that there is no coverage under the policy because Legacy committed fraud and misrepresented material facts regarding the rental of the Property and submitted the claim under the policy in violation of the following policy conditions:

#### **COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

##### **A. Concealment, Misrepresentation or Fraud**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

30. Cincinnati avers and alleges that Legacy, through Grider, intentionally concealed or misrepresented facts material to its interest in the Property by submitting the Backdated lease to Cincinnati and perpetrated a material misrepresentation in order to

fraudulently obtain insurance coverage, which is sufficient to void the policy in its entirety.

31. As a result of the misrepresentation and fraud perpetrated by Legacy, Cincinnati avers and alleges that it has no coverage obligations to Legacy under the policy for any of the damages sustained to the Property.

32. Cincinnati seeks a declaration from this Honorable Court that the policy provides no coverage to Legacy for the structural damage to the building because Legacy did not insure the building under the policy.

33. In addition, Cincinnati seeks a declaration from this Honorable Court that the policy provides no coverage to Legacy for any of the damages to the Property as a result of the November 5, 2023, fire because Legacy violated the Common Property Conditions.

34. Cincinnati further relies upon all other provisions, terms, conditions, and exclusions of the policy in this Declaratory Judgment Action.

**WHEREFORE**, the Plaintiff, The Cincinnati Insurance Company, prays as follows:

1. That the Defendants be required to answer and appear herein;
2. That this Honorable Court adjudicate and declare that the damage and loss identified in this Complaint, are not covered by the policy;
3. That this Honorable Court adjudicate and declare that Legacy is not entitled to coverage under the policy for any loss or damage to the subject property due to the violation of the policy conditions; and
4. For such other legal and equitable relief as this Honorable Court deems just and proper.



Respectfully submitted,

/s/ Hannah J. Leifel

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